



Please find below our weekly update covering themes that we feel that are of interest to investors and participants in the small and mid-cap TMT sector as well as commentary on recent newsflow. The cost of Allenby Capital's research on individual clients is paid for by our research clients.

For the purpose of MIFID II, the content of the following email qualifies as “non-substantive material or services consisting of short-term market commentary on the latest economic statistics or company results” and so can be treated as ‘acceptable minor non-monetary benefits’ and not as ‘chargeable research’ per the European Commission’s Delegated Directive of 7.4.2016.

Allenby Capital TMT Update - 21.06.21 - BIRD.L, BOOM.L, CPX.L, STAR.L

Blackbird plc* (BIRD.L, 32.25p/£108.7m)

Contract win: RTL uses Blackbird and LiveU for German elections (17.06.21)

- Mediengruppe RTL Deutschland, the major German broadcaster, used the newly integrated Blackbird/LiveU solution for the recent regional elections. The project was managed by CBC, the production and technology/IT company of Mediengruppe RTL.
- CBC is a longstanding LiveU customer and used the LiveU Matrix IP cloud-based management and distribution platform for dynamic live news content sharing, complementing its existing fleet of LiveU field units. Live feeds from 12 venues received directly into Matrix's cloud channels and selected feeds were distributed and broadcast on the national news as well as additional German broadcasters.
- In parallel, the files were access in almost real-time using Blackbird's eponymous cloud native editing platform. Distributed teams of editors were then able to rapidly and collaboratively clip, edit, enrich and publish highlights of the many events. Blackbird then delivered both short and long form high definition digital assets to multiple channels simultaneously, including social and web, and to broadcast media partners for repurposing.

Allenby Capital comment: Blackbird's partnership with LiveU was announced in March and this represents a high profile first showcase of the combined solution with a major European media company. News remains a core target market for Blackbird and plays to the strengths of the technology - near real-time access, edit and publish on time critical content, multiple feeds and distributed teams of editors.

** Allenby Capital acts as Nomad and Broker to Blackbird plc.*

Audioboom plc* (BOOM.L, 820p/£128.5m)

Triton Digital US ranker and further activity in the podcast market (18.06.21)

- In the latest Triton Digital podcast ranker for the US market (May), Audioboom has retained its position as the fourth largest network by average weekly users though it has slipped to sixth from fifth by average weekly downloads, overtaken by AdLarge/cabana.
- Audioboom's numbers continue to increase on a monthly basis: downloads grew 2% in May over April and the number of users by 3.8%. Audioboom joined the ranker last April, so year on year comparators are

coming through: May 21 grew 46% in downloads and 69% in users over May 20. The latest ranker was compiled using the stricter IAB v2.1 guidelines.

- Separately, Acast listed on the Nasdaq First North exchange with first day of dealing on June 17th. The market cap on listing was c. £560m (pre-over allotment) and the company raised c. £153m (£109m new and £44m old). The listing will create the closest listed comparator to Audioboom. The expected market capitalisation is equivalent to a trailing 12m revenue multiple of 11.2x. Audioboom is currently trading on 6.2x FY20 revenue.
- Further consolidation in the podcasting space with Sony Music Entertainment acquiring Somethin' Else, one of the UK's largest independent podcast and audio producer, and one of the BBC's biggest independent producers of programs. Terms were not disclosed. Meanwhile Spotify has acquired Podz, a podcast discovery start-up that generates 60-second clips from shows.
- No change to [forecasts](#) and 935p/share fair value.

Allenby Capital comment: The US remains Audioboom's key market and the latest Triton Digital ranker demonstrates its continued success. The ranker is not exhaustive (e.g. Acast doesn't participate) and only covers Audioboom's premium shows but it is used by agencies and brands in making purchasing decisions. It should also be noted that Audioboom had a couple of successful Audioboom Original Network launches at the start of June. *Dark History*, hosted by YouTuber Bailey Sarian, hit number 1 on Apple's podcast chart in the US, UK, Canada and Australia and number 1 on Spotify's chart in the US, UK and Australia. *The Southern Tea* hit Apple's top 30. The IPO of Acast provides the closest valuation comparator for Audioboom and we would note the valuation delta.

* Allenby Capital acts as Nomad and Broker to Audioboom

CAP-XX Ltd* (CPX.L, 7.65p/£33.8m)

Contract win: Sensys Networks selects CAP-XX DMT470 (16.06.21)

- Sensys Networks, developer of an advanced in-roadway Wireless Vehicle Detection System, has selected the CAP-XX DMT470 supercap for its FlexMag Flush and Deep Sensor IoT devices. The Sensys Networks Wireless Vehicle Detection System uses wireless magneto-resistive sensors to detect the presence and movement of vehicles. The sensors, installed without wires or cables, transmit vehicle detection data over the air via low-power radio frequency (RF) technology to a nearby Sensys Networks access point. This data is then relayed to a traffic signal controller or remote traffic management centre.
- The on-board power management system features Sensys Networks' patented, nano-power communications protocol, a 3.6v Li-SOCl₂ battery, and the CAP-XX supercap to support the battery by storing energy and delivering high burst power needed for wireless data transmissions. This system enables the device to consume minimal power to achieve 10-year battery life. This is an important consideration as the sensors are installed under the road surface.
- No change to [forecasts](#) and 16.5p/share fair value.

Allenby Capital comment: Another good application that demonstrates the advantages of supercapacitors in general and CAP-XX's super slim prismatic supercaps in particular. As the sensors are installed under the road surface, battery life is a major consideration. The supercap sits in front of the battery and powers the wireless data communications, thereby significantly extending battery life. CAP-XX's prismatic form factor also provides design flexibility. The DMT470 was previously manufactured by Murata under licence from CAP-XX and is now produced at CAP-XX's new Seven Hills facility.

* Allenby Capital acts as Nomad and Joint Broker to CAP-XX Ltd.

Starcom plc* (STAR.L, 0.975p/£3.4m)

Industry award: Lokies wins DHL Smart Guard Challenge (18.06.21)

- Starcom's Lokies Smart Keyless Padlock has won the DHL Smart Guard Innovation Challenge. The Challenge is a technology product contest in the field of logistics security and was part of the DHL Logistics & Supply Chain summit which took place on 16 and 17 June 2021.

Allenby Capital comment: Starcom saw off considerable competition to win the challenge and it represents a high profile industry endorsement. The Lokies smart keyless padlock was launched in April 2019 and initial feedback has been positive with proofs of concept running in multiple markets and initial orders placed by customers in Russia, Israel, Kazakhstan, Mexico, Bulgaria and Poland. The device can be operated remotely, is energy efficient and uses Bluetooth to connect to nearby devices and sensors. It also has a shackle with proprietary technology that can detect tampering. Commercial progress has been hindered by COVID-19 and this award will help to raise its profile and could lead to potential future cooperation with DHL and others.

* Allenby Capital acts as Nomad and Joint Broker to Starcom plc.

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Allenby Capital "paid for" research services

The changes initiated by MiFID II has had far reaching implications on both the quantity and continued availability of research on smaller cap companies, including those within the TMT sector. We would therefore remind interested companies that Allenby Capital can offer a "paid for" research service for those corporates that wish to retain an alternative and authoritative source of research that can be accessed freely by the entire investment community. If you would like further information on this service please contact d.johnson@allenbycapital.com.

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David Johnson is the author of this research recommendation. David Johnson is employed by Allenby Capital Limited as an Equity Analyst.

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Allenby Capital

5 St Helen's Place London EC3A 6AB

+44 (0)20 3328 5656

www.allenbycapital.com
